




**TO:** State Workforce Innovation Council Chairperson  
Marion County Workforce Investment Board Chairperson & Director  
Regional Workforce Board Chairpersons  
Regional Operators  
Directors of Operations for Northern and Southern Indiana

**FROM:** Andrew J. Penca   
Commissioner, Indiana Department of Workforce Development

**DATE:** August 30, 2007

**SUBJECT:** DWD Commissioner's Directive 2007-13  
Guidelines Governing Integrated Services Contracts for  
Program Year 2006 and Program Year 2007

#### **Purpose**

The guidelines that govern the integrated services contracts for Program Year 2006 and Program Year 2007 are revised to include reference to the contracting authority for funds granted through the State Workforce Innovation Council (SWIC).

#### **Rescission**

DWD Commissioner's Directive 2006-08, Guidelines for Development of Integrated Services Contracts for Program Year 2006 and Program Year 2007, dated September 22, 2006

#### **Content**

Integrated Services Contracts are necessary for the reimbursement of co-location expenses shared between the Indiana Department of Workforce Development and a workforce investment board or between the Indiana Department of Workforce Development and a regional workforce board on behalf of the regional operators/service providers. Integrated services contracts with the regional workforce boards are currently in place and do not expire until June 30, 2008. The contracts may need to be modified later in the program year if changes occur in how co-location expenses will be reimbursed. Attachment A provides detailed guidelines to continue implementation of these contracted services.

**Review Date**

August 1, 2009

**Ownership**

Grant and Contract Support

**Effective Date**

Immediately

**Action**

All parties should be made aware of changes to integrated services contract guidelines.

**Contact Person**

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**Attachment A**

Guidelines for Implementation of Integrated Services Contracts



**Attachment A**

**GUIDELINES FOR IMPLEMENTATION OF  
INTEGRATED SERVICES CONTRACTS**

**I. Contracting Authority through the State Workforce Innovation Council (SWIC)**

WIA funds are granted to Indiana's two workforce investment boards: the State Workforce Innovation Council (SWIC), acting as the workforce investment board for all counties in the State but Marion County, and the workforce investment board for Marion County, the Indianapolis Private Industry Council (IPIC.) The Balance of State WIB is the selecting and awarding authority for grants and contracts in accordance with Indiana as a Two-Workforce Service Area State, and federal statutory requirements which reserve this authority to the local board. The SWIC, acting as the Balance of State WIB, signs the grant documents between each regional workforce board and the State. By signing the grant, the SWIC, acting as the Balance of State WIB, provides approval for the workforce development activities conducted in the regional area.

Additionally, there is a single fiscal agent for the Balance of State Workforce Service Area in accordance with the provisions of WIA Section 117(d)(3)(B)(i)(II) which is the Indiana Department of Workforce Development. DWD competitively procured an entity to provide fiscal services across the State. However, DWD also allowed each regional workforce board to competitively procure their own fiscal entity in conjunction with their regional chief elected official to assist in the administration of grant funds allocated to the region.

If the regional workforce board chooses not to utilize the State procured fiscal agent, then the region's fiscal entity shall also be an independent contractor hired by the regional workforce board in a full and open competitive process.

**II. Administrative and Financial Requirements**

The Cost Allocation Plan (CAP) developed by the workforce investment board or the fiscal agent in conjunction with the regional workforce board will serve as the basis for establishing shared costs that require reimbursement by the Indiana Department of Workforce Development if the plan is reasonable and equitable for all parties. This CAP must be on file with the Analysis and Reconciliation Unit under the Indiana Department of Workforce Development's Controller. Leased-space costs will be determined by actual percentage of total square feet within each facility. A One-Stop Comprehensive Financial Management Technical Assistance Guide was issued by United States Department of Labor in July 2002. This technical assistance guide provides guidance on the uniform Federal policy on cost allocation and resource sharing for one-stop career centers.

**Budget Categories and Descriptions**

The following categories of costs may be included in an integrated services contract to be reimbursed by Indiana Development of Workforce Development and/or the workforce investment board or the regional workforce board:

**A. Administrative Costs:**

Administrative costs include the reimbursable staff costs and non-personal services (NPS) costs described in the narrative as necessary to administer the integrated services contract within the workforce investment area. Allowable administrative costs include costs associated with:

- Contract preparation/negotiation
- Accounting/record keeping/time tracking\*
- Lease negotiations
- Issuing and handling checks
- Computer time
- Procurement
- Property management
- Marketing
- Administrative supervision\*\*

\* In situations where Indiana Department of Workforce Development personnel charge time that is reimbursed as part of this agreement, the regional workforce board must reimburse the Indiana Department of Workforce Development an additional 10% of the staff costs for administration of the expenses involved in this process. **This 10% Administrative, Staff, and Technical (AS&T) costs are the department's indirect costs and should be reflected in the Administrative Costs line item on the budget page.**

\*\* Each line item listed may include administrative supervision if accompanied by supporting rationale, or it may be rolled-up as a total amount.

**B. Clerical Support/Contractual Supervision:**

Clerical support/contractual supervision includes costs related to both shared clerical support (i.e., one receptionist to serve all needs of a local office) and functional supervision services. Contractual supervision is functional supervision of local entity staff by Indiana Department of Workforce Development staff.

**C. Premises Expenses/Security:**

Premises expenses include all costs associated with the operation and maintenance of the building (i.e., lease payments, utilities, security services, janitorial services, building maintenance, snow removal, handyman services, and ground maintenance). This category does not include property management or lease negotiations included under the category of administrative costs.

Leased space costs will be determined by actual percentage of total square feet within each facility. This includes shared and common space.

**D. Supply Expenses:**

Supply expenses include office supplies, forms, janitorial and maintenance supplies, and supplies valued at less than \$150.00 or with an expected life of less than one year.

Supplies used to support Indiana Department of Workforce Development's operations **should be purchased through the state system.**



Unemployment insurance funds may be used for supply expenses **only** in instances where the workforce investment board or the regional workforce board and Wagner-Peyser funds also share in the use and cost of the supplies.

**E. Equipment Purchases:**

Equipment purchases include purchases of capital equipment valued at more than \$500.00 and/or have a serial number.

Indiana Department of Workforce Development will conduct procurement of equipment for Indiana Department of Workforce Development staff unless inclusion in the integrated services contract will result in reduced expense.

Unemployment insurance funds may be used for equipment purchases **only** in instances where the workforce investment board or the regional workforce board and Wagner-Peyser funds also share in the use and cost of the equipment.

**F. Equipment Expenses:**

Equipment expenses include repairs, rental, maintenance, and non-capital equipment purchases. Unemployment Insurance funds may be used for equipment expenses **only** in instances where the workforce investment board or the regional workforce board and Wagner-Peyser funds also share in the use and cost of the equipment.

**G. Telephone and Data Line Expenses:**

Telephone and data line expenses include all charges normally contained in a telephone billing statement, including equipment rental. Telephone expenses should be allocated in accordance with the number of telephone instruments within each facility. Expenses for telephone lines supporting FAX machines, personal computers, shared printers, and expenses for data lines must be included in this contract.

**H. Miscellaneous Expenses:**

Miscellaneous expenses include, but are not limited to, liability insurance premiums, post office box rental, etc. The integrated services contract should not include liability insurance premiums for premises owned or leased by Indiana Department or Workforce Development. Liability insurance premiums **may** be included for premises owned or leased by the workforce investment board or the regional workforce board.

**Expenses Not Permitted**

The following types of expenses are not permitted to be included in an integrated services contract. This list of expenses not permitted to be included in an integrated services contract is not intended to be exhaustive.

**A. Discretionary Funds:**

Integrated services contracts may not contain a budget category designated as discretionary funds or any other similar type of designation. As set out above, miscellaneous expenses are permitted only if properly described and justified.

**B. Membership Expenses:**

Membership in the Chamber of Commerce and other memberships for Indiana Department of Workforce Development staff are to be submitted through the routine procurement process and should not be included in the integrated services contract.

**C. Travel and Training Expenses:**

Funds for travel and training expenses should not be included in the integrated services contract. Indiana Department of Workforce Development staff should submit travel/trip requests through normal channels.

**D. Information Resource Area Expenses:**

Expenses related to the Information Resource Area in a WorkOne Center or WorkOne Express may not be charged to this contract. Indiana Department of Workforce Development local office staff will need to go through the procurement process to acquire items for this area.

Fiscal and Accounting Requirements

**A.** All Accounts Receivables/Payables will flow between the designated fiscal agent for the regional workforce board/workforce investment board and the Indiana Department of Workforce Development.

**B. Offsetting Costs:**

Non-financial, offsetting staffs cost arrangements and other offsetting costs are not permissible provisions of an integrated services contract. All reimbursable expenses must be included in the integrated services contract budget.

**C. Reimbursement:**

Costs must be accounted for and reported on an accrued basis as Accrued Expenditure Reports (AERs). Reimbursement will occur after timely receipt of the AER.

- AERs for reimbursement of expenses covered by an integrated services contract shall be due according to Indiana Department of Workforce Development policy.
- Reimbursement for expenditures will be based on the monthly AER due no later than the 10<sup>th</sup> working day.
- Late submission of the AER may prevent timely processing of reimbursement.



**D. Case Management System (CMS):**

- Each regional workforce board and the Marion County Workforce Investment Board will pay a one-time administrative fee of \$12,065 in accordance with the contract agreement between the Indiana Department of Workforce Development and @Work Solutions.
- Each regional workforce board and the Marion County Workforce Investment Board will pay an annual fee for System Operation and Maintenance. This annual fee will be billed monthly. These charges are based on allocations and will be adjusted at the end of each program year, based on actual enrollments as reported to DWD. The following chart outlines the charges for System Operation and Maintenance.

MARION COUNTY	\$88,481
Region 1	\$68,369
Region 2	\$35,009
Region 3	\$62,635
Region 4	\$36,813
Region 5	\$31,717
Region 6	\$39,987
Region 7	\$26,517
Region 8	\$23,938
Region 9	\$13,532
Region 10	\$14,901
Region 11	\$24,551

**Allowable Adjustments Between Budget Categories (Line Items)**

The workforce investment board or regional workforce board will be permitted to transfer between the following budget categories within individual programs:

- Premises Expenses
- Supply Expenses
- Telephone Expenses
- Equipment Expenses
- Miscellaneous Expenses

Line item adjustments **will not** be allowed between funding sources (i.e., Wagner-Peyser, Unemployment Insurance, Local Veterans' Employment Representatives, Disabled Veterans' Outreach Program Specialists) without prior written approval from the Indiana Department of Workforce Development. Line item adjustments for any other budget category (i.e., Administrative Cost, Clerical/Contractual Supervision, and Equipment Purchases) are not permitted without modification of the integrated services contract.

In order to transfer budget categories within a funding source, the workforce investment board or the regional workforce board shall submit a letter requesting modification to the Indiana Department of Workforce Development's Grant and Contract Support if the adjustment to a line item is (+) or (-) **10%** of the amount budgeted in the integrated services contract. The workforce investment board or the regional workforce board must receive Indiana Department of Workforce Development's approval of the letter modification.